

MANAGEMENT & ENGINEERING SERVICES AGREEMENT

by and between

ADEPT ENVIRONMENTAL SOLUTIONS, INC.

And

Arrow Gear Company

AGREEMENT NUMBER 93-103

A. GENERAL

Manager: Adept Environmental Solutions, Inc.
1100 South Waiola Avenue
La Grange, Illinois 60525

Contact: Dana Rose - President

Phone: (708) 352-9322

Client: Arrow Gear Company
2301 Curtiss Street
Downers Grove, Illinois 60515

Re: 2301 Curtiss Street
Downers Grove, Illinois
OFSM Facility # 02-001201

Contact: Michael Cervinka / Harry Hartzell

Phone: (708) 969-7640

In consideration of the mutual promises contained herein, ADEPT ENVIRONMENTAL SOLUTIONS, INC. ("Manager") and Arrow Gear Company ("Client") hereby agree that the services specified below shall be performed by the Manager in accordance with the terms of this Project Management & Engineering Services Agreement ("Agreement").

B. STATEMENT OF SERVICES

Manager agrees to undertake project management and engineering assignments which are deemed within its capabilities or areas of expertise as requested from time to time by Client. All such requests and acceptances shall be made in writing. Client reserves the right to request Manager to submit a proposed scope of work, estimated budget and/or schedule of completion of each assignment request prior to commencing work. Manager is under no obligation to accept assignments proposed by Client, and likewise, Client is under no obligation to provide assignments to Manager.

C. SCHEDULE OF CHARGES.

Manager shall be paid in accordance with the following schedule of charges:

- Management fees @ \$65/Hour
- Engineering fees @ \$90/Hour
- Mileage @ \$0.35/mile
- Direct Expenses @ Actual Cost + 15%

PLUS ... Direct subcontract costs including but not limited to subsurface explorations, surveys, groundwater monitoring well purchase and installations, professional consultation and assistance from individuals and/or organizations other than Adept Environmental Solutions, Inc., equipment rental and field and laboratory testing. When the costs are not paid directly by Client, there will be an addition of 15% to cover handling and financing costs.

Invoicing shall be on a regular basis, either upon completion of every assignment or on the end of the month whichever comes first. Payment in full shall be made to Manager and is due within 10 days of receipt of invoice. An additional rate of 1.5% per month or the maximum rate allowed by law may be assessed on balances past due more than 30 days.

D. GENERAL TERMS AND CONDITIONS

1. **Relationship between Manager and Client.** Manager shall serve as Client's project management and engineering consultant for those assignments and projects to which this Agreement applies. The relationship is that of buyer and seller of professional services and it is understood that the parties have not entered into any joint venture or partnership with the other. The Manager shall not be considered to be the agent of the Client.

2. **Responsibility of Manager.** Manager will render management and engineering services in accordance with generally accepted and currently recognized management and engineering practices and principles.

Notwithstanding anything to the contrary which may be contained in this Agreement or any other material incorporated herein by reference, or in any Agreement between Client and any other party concerning the project, the Manager shall not have control and shall not be in charge of and shall not be responsible for the means, methods, techniques, sequences and procedures of construction, or the safety, safety precautions or programs of the Client, the construction contractor, other contractors or subcontractors performing any of the work providing any of the services on the project except for those services which Manager shall directly perform. Nor shall the Manager be responsible for the acts or omissions of the Client, or for the failure of the Client, any architect, engineer, consultant, contractor or subcontractor to carry out their respective responsibilities in accordance with the project documents, this Agreement or any other agreement concerning the project.

Any provision which purports to amend this provision shall be without effect unless it contains a reference that the content of this condition is expressly amended for the purposes described in such amendment and is signed by Manager.

3. **CHANGES.** Client reserves the right by written change order to make changes in requirements, amount of work, or time schedule adjustments, and Manager and Client shall negotiate appropriate adjustments acceptable to both parties to accommodate any changes.

4. **SUSPENSION OF SERVICES.** Client may, at any time, order Manager to stop all, or any part, of the services required by this Agreement. Upon receipt of such an order, Manager shall immediately comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the services covered by the order. Client, however, shall pay all costs associated with suspension including all necessary costs to maintain continuity and the staff required to resume the services upon expiration of the suspension of work order. Manager will not be obligated to provide the same personnel employed prior to the suspension when services are resumed, in the event the period of any suspension exceeds thirty (30) days. Client will reimburse Manager for costs of such suspension and mobilization.

5. **TERMINATION.** This Agreement may be terminated by either party upon thirty (30) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. This Agreement may be terminated by Client, under the same terms, whenever Client shall determine that termination is in its best interest. Cost of termination including but not limited to services, salaries, overhead and fees incurred by Manager either before or after the termination date shall be reimbursed by Client.

6. DOCUMENTS PROPERTY OF CLIENT. Drawings, specifications, reports and any other documents prepared by Manager in connection with any or all of the services provided hereunder shall be the property of the Client. Manager shall have the right to retain copies of all documents and drawings for its use.

7. REUSE OF DOCUMENTS. All documents including drawings and specifications furnished by Manager pursuant to this Agreement are intended for use in this project only. They should not be used by Client or others on extensions of the project or any other project. Any reuse without written verification or adaption by Manager shall be at Client's sole risk. Client shall hold harmless and indemnify Manager from all claims, damages, losses and expenses including attorney's fees arising out of or resulting therefrom.

8. COMPLIANCE WITH LAWS. To the extent they apply to its employees or services, the Manager shall comply with all applicable United States, State, Territorial and Commonwealth laws, including ordinances of any political subdivisions or agencies of the United States, any State, Territory or Commonwealth thereof.

9. INDEMNIFICATION. Manager shall indemnify and hold harmless Client in an amount equal to the compensation paid by Client to Manager under this Agreement (excluding costs and subcontract expenses) from Client's loss or expense, including but not limited to reasonable attorney's fees for claims for personal injury (including death) or property damage arising out of the sole negligent act, error or omission of Manager.

Except as provided in Clause (10) with respect to hazardous substance claims, Client shall indemnify and hold harmless Manager up to the same amount that Manager undertakes to indemnify Client under this Agreement for all other claims, from Manager's loss or expense, including but not limited to attorney's fees and expenses, for claims for personal injuries (including death) or property damage arising out of the sole negligent act, error or omission of Client.

In the event of joint or concurrent negligence of Manager and Client, each shall bear that portion of the loss or expense that its share of the joint or concurrent negligence bears to the total negligence (including that of third parties) which caused the personal injury or property damage; provided, however, that Client shall remain separately liable to Manager under clause (10).

Manager shall not be liable for special, incidental or consequential damages, including but not limited to loss of business, revenues, profits, use of capital, claims of customers, costs of purchased or replacement power, or for any other loss of any nature, whether based on contract, tort, negligence, strict liability or otherwise, by reason of the services

rendered under this Agreement.

The directors, officers and employees of the respective parties and Manager's subcontractors are deemed to be included within the term "Manager" and "Client" for the purposes of this subsection.

10. HAZARDOUS SUBSTANCES. In consideration of the non-involvement of Manager in the generation, treatment, storing or disposal of hazardous contaminating substances, Client shall defend, indemnify and hold Manager, its subcontractors and the directors, officers, employees and stockholders of Manager and its subcontractors harmless from and against all claims, damage, injury, including death, and property damage including use thereof, losses and expenses, direct and indirect, including attorney's fees and expenses, resulting from or relating to the presence, discharge, release, dispersal, proliferation or escape of hazardous contaminating substances of any kind which may arise out of the performance of this Agreement.

Client waives and releases any statutory right it may now or in the future have that would limit or render unenforceable the indemnity provided in this subsection. In the event this waiver or release is likewise deemed to be limited or rendered unenforceable, Client shall pay to Manager an amount equal to its obligations in this Clause as additional compensation for services.

11. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

12. LEGAL PROCEEDINGS. In the event Manager's employees are at any time required by Client to provide testimony, answer interrogatories or otherwise provide information ("testimony") in preparation for or at a trial, hearing, proceeding or inquiry arising out of the services that are subject to this Agreement, where Manager is not a party of such proceeding, Client shall compensate Manager for its services pursuant to Manager's schedule of charges then in effect and reimburse Manager for all related direct costs incurred in connection with providing such services, this provision shall be of no effect if the parties have agreed in a separate Agreement or an amendment to this Agreement to the terms which specifically supersede this provision, nor shall this provision apply in the event Client engages Manager to provide expert testimony or litigation support, which services shall be the subject of a separate agreement to this Agreement.

13. SUCCESSORS AND ASSIGNS. The terms of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, provided however, that neither party shall assign this Agreement in whole or in part without prior written approval of the other.

14. WAIVER AND CONTRACT BREACH. The waiver of one party of any breach of this Agreement or the failure of one party to enforce at any time, or for any period of time, any of the provisions hereof, shall be limited to the particular instance, shall not operate or be deemed to waive any future breaches of this Agreement and shall not be construed to be a waiver of any provision, except for the particular instance.

15. ENTIRE UNDERSTANDING OF AGREEMENT. This Agreement represents and incorporates the entire understanding of the parties hereto, and each party acknowledges that there are no warranties, representations, covenants or understandings of any kind, matter or description whatsoever, made by either party to the other except as expressly set forth herein. Manager and Client hereby agree that any purchase orders, invoices, confirmations, acknowledgements or other similar documents executed or delivered with respect to the subject matter hereof that conflict with the terms of this Agreement shall be null, void and without effect to the extent they conflict with the terms of this Agreement.

16. AMENDMENT. This Agreement shall not be subject to amendment unless another instrument is executed by duly authorized representatives of each of the parties and entitled "Amendment to Agreement".

17. TIME. Time is of the Essence. All of Manager's assignments will be executed in a timely manner.

18. SEVERABILITY OF INVALID PROVISIONS. If any provisions of this Agreement shall be held to contravene or be invalid under the laws of any particular State, Country, or jurisdiction where used, such contravention shall not invalidate the entire Agreement, but shall be construed as if not containing the particular provisions held to be invalid in the particular State, Country, jurisdiction and the rights or obligations of the parties hereto shall be construed and enforced accordingly.

19. FORCE MAJEURE. Neither Client nor Manager shall be liable for any fault or delay caused by any contingency beyond their control including but not limited to acts of God, wars, strikes, walkouts, fires, natural calamities, or demands or requirements of governmental agencies.

20. SUBCONTRACTS. Manager may subcontract portions of the services required under this Agreement, but each subcontractor must be approved by Client in writing, which approval shall not be unreasonably withheld.

21. ACCESS AND PERMITS. Client shall arrange for Manager to enter upon public and private property and obtain all necessary approvals and permits required from all governmental agencies and authorities having jurisdiction over the project. All costs for obtaining such permits shall be paid by Client.

22. **DESIGNATION OF AUTHORIZED REPRESENTATIVES.** Each party shall designate one or more persons to act with authority in its behalf in respect to appropriate aspects of the project. The persons designated shall review and respond promptly to all communications received from either party.

23. **NOTICES.** Any notice or designation required to be given by either party hereto shall be in writing, and unless receipt of such notice is expressly required by the terms hereof, shall be deemed to be effectively served when deposited in the mail with sufficient first class postage affixed, and addressed to the party to whom such notice is directed at such party's place of business or other such address as either party shall hereinafter furnish to the other party by written notice as provided herein.

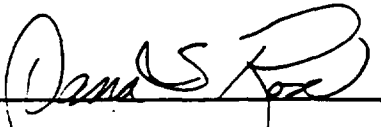
24. **AGREEMENT PERIOD.** This Agreement shall commence on the date of execution and be in force for a period of one year, at which time it may be extended by Amendment or agreement of the parties.

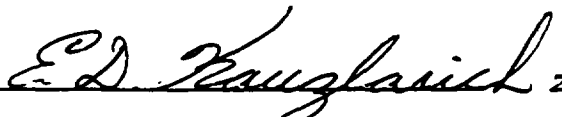
24. **EXECUTION.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on this 26TH day of FEBRUARY, 1993.

Adept Environmental Solutions, Inc.

Arrow Gear Company

By: 
Its: President

By:  2-26
Its: V.P. of FACILITIES

ADEPT

ENVIRONMENTAL

SOLUTIONS, Inc.

**1100 South Waiola Avenue
La Grange, Illinois 60525**

**Phone {708} 352-9322
Fax {708} 352-9322**

ENVIRONMENTAL CONSULTING & ENGINEERING SERVICES

RECEIVED

FEB 17 1993

TRANSMITTAL LETTER

ARROW GEAR CO

Harry Hartzell

To:

Arrow Gear Company

Attn:

ITEM NUMBER	NUMBER OF COPIES	DESCRIPTION OF MATERIALS
1	1	Estimated project cost letter
2	2	Management Contract

Comments: Please sign and date the Management & Engineering Services Agreement on page 7 of both copies. Return both to Adept and we will forward a signed copy to you.

Sent By:

Dana Rose

Adept Environmental Solutions, Inc.